

**LA CENTER SCHOOL DISTRICT No. 101**  
**Clark County, Washington**  
**September 1, 1993 Through August 31, 1994**

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**Schedule Of Findings**

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1. Expenditures Should Be Limited To Appropriations

Expenditures of the district's General, ASB, and Debt Service Funds exceeded appropriations in 1994 by \$55,299, \$8,182, and \$5,272, respectively.

These excess expenditures are contrary to the limitations set forth in RCW 28A.505.150, which states in part:

... The Board of Directors shall incur no expenditures for any purpose in excess of the appropriation for each fund . . . .

District officials failed to adequately monitor expenditures in relation to authorized appropriations. Allowing expenditures to exceed appropriations weakens the budget process and associated controls over public expenditures.

We recommend that district officials closely monitor expenditures and make timely budget amendments to prevent expenditures from exceeding appropriations.

2. The District Should Report Staff Mix Data Correctly

School districts are required to annually report to the Superintendent of Public Instruction (SPI) the academic credits and years of experience of its certificated staff. SPI uses this information in its determination of the amount of school apportionment funds due the district. This information must be correct to ensure the proper level of apportionment is received.

To ensure that amounts reported are accurate, WAC 392-121-280 requires in part:

School districts shall have documentation on file and available for review which substantiates each basic education certificated instructional employee's placement on LEAP salary allocation documents.

To test the accuracy of the experience and academic credits reported to SPI, we reviewed seven certificated employee files. Because reporting errors were noted in the years of experience, we expanded our testing to include a review of all certificated staff concentrating on reporting for experience. We found five employees whose years of experience were incorrectly reported to SPI, which affected the district's apportionment calculation. We also found one employee whose academic credits were incorrectly reported which again affected the apportionment calculation.

When the district submits erroneous staff mix reports to SPI, the district's apportionment may be incorrect. In this instance, each reporting error resulted in an underpayment of apportionment to the district.

These errors occurred because the district did not adequately train personnel to track and report the information to SPI. In addition, the district did not review the accuracy of the information reported.

We recommend district officials ensure that data from the files is reported correctly on the staff mix report. We also recommend that experience and credits be tracked through the use of a spreadsheet which will easily update data and enhance reporting accuracy. We further recommend district officials contact SPI and resolve the aforementioned apportionment underpayment.

3. Internal Controls Over Cash Receipting And Inventory At The Associated Student Body (ASB) Student Store Should Be Improved

Our review of the ASB student store cash receipting and inventory controls revealed the following weaknesses:

- a. There were no daily reconciliations performed tying cash collections to cash register tapes and ultimately to deposits, consequently resulting in inadequate cash collection accountability.
- b. Cash register controls were not fully utilized. As a result, transaction close out functions were not properly applied, cash/check compositions were not used, voids were not properly approved and reviewed, and sales category buttons were used inconsistently.
- c. There were no inventories taken during the audit period. Accordingly, there was no reconciliation of sales to receipts, no gross profit analysis performed to determine the reasonableness of receipts, and no profit and loss statement prepared.

Due to inadequate inventory records and lack of controls over student store activities, possible misappropriation of funds or merchandise could occur and go undetected.

We recommend district officials improve internal controls over student store activities by performing daily cash reconciliations, using the register controls to their potential, and performing timely reconciliations and analyses of inventory, sales and revenues.